



International Dairy Foods Association
Milk Industry Foundation
National Cheese Institute
International Ice Cream Association

Mr. John Mengel
Chief Economist
USDA/AMS/Dairy Programs
Office of the Chief Economist
STOP 0229 - Room 2753
1400 Independence Ave., SW
Washington, DC 20250-0229

Re: Doc. # AMS-07-0047; DA-06-07; Dairy Product Mandatory Reporting

Dear Mr. Mengel,

The International Dairy Foods Association (IDFA) offers the following comments in response to USDA's re-opening of the comment period (Fed. Reg. Vol. 72, No. 212 (Friday, November 2, 2007), p 62105) on the Dairy Product Mandatory Reporting Interim Final Rule (Fed. Reg. Vol. 72, No. 127 (Tuesday, July 3, 2007), pp 36341-45). These comments supplement those filed by IDFA on September 4, 2007.

In the notice re-opening the comment period, USDA specifically requested industry comments on two issues; whether there should be a minimum transaction volume for reported transactions and whether Kosher dairy products and products produced from milk from cows not treated with recombinant bovine somatotropin (rbst) should be included in the Dairy Product Prices report.

With respect to the issue of a minimum transaction volume for reported transactions, IDFA urges USDA to establish a minimum pound requirement based on a typical truckload lot of dairy products otherwise eligible to be reported. The concept of a truckload lot is common in the dairy industry, used for traded lots on the Chicago Mercantile Exchange (CME) spot (cash) markets for cheddar cheese, butter and nonfat dry milk, as well as the basis for CME dairy futures contracts for butter, nonfat dry milk and dry whey. Based on common industry practice and the CME specifications of a truckload, IDFA suggests minimum transaction volume be set at 40,000 pounds.

The issue of Kosher products is complex. There are numerous Kosher certification programs with varying requirements for the production of products and the ingredients used. IDFA urges USDA to only exclude dairy products otherwise eligible to be reported if the specific Kosher certification for a transaction contractually requires that the product and or its ingredients (including raw milk) be produced under direct rabbinical supervision. All products produced under Kosher certification programs which do not require such direct rabbinical supervision should be reported if otherwise eligible under the interim final rule.

The issue of products manufactured with milk from cows not treated with rbst is also complex. IDFA urges USDA to include such products in reporting unless the product is specifically labeled as being made from such cows, or is required by contract to be so made from such milk. However, in order to better determine the impact of products manufactured with milk from cows not treated with rbst on the marketplace, IDFA also urges USDA to monitor and report annually the volume of such product otherwise eligible to be reported for a representative month to be determined by the Department.

Both the issue of Kosher products and products manufactured with milk from cows not treated with rbst are similar. If the final dairy product is marketed as a value added product rather than a commodity product, the additional cost of manufacturing and/or farm milk means the market for the product is not representative of a commodity dairy product. Other specifications for reporting transactions under the Dairy Product Mandatory Interim Final Rule are clearly designed to keep such value added product transactions from the survey.

Respectfully Submitted,



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The International Dairy Foods Association (IDFA), Washington, DC, represents the nation's dairy manufacturing and marketing industries and their suppliers, with a membership of 530 companies representing a \$90-billion a year industry. IDFA is composed of three constituent organizations: Milk Industry Foundation (MIF) National Cheese Institute (NCI), and International Ice Cream Association (IICA). IDFA's 220 dairy processing members run more than 600 plant operations, and range from large multi-national organizations to single-plant companies. Together they represent more than 85% of the milk, cultured products, cheese and frozen desserts produced and marketed in the United States. IDFA can be found online at www.idfa.org.